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REPORT

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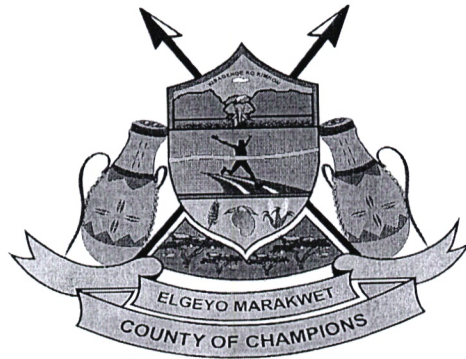
THE AUDITOR-GENERAL

ON

**ELGEYO MARAKWET COUNTY
EXECUTIVE CAR AND MORTGAGE
REVOLVING FUND**

**FOR THE YEAR ENDED
30 JUNE, 2019**

OFFICE OF THE AUDITOR GENERAL
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**COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND OF
ELGEYO MARAKWET**

**CAR & MORTGAGE LOAN REVOLVING FUND AS ESTABLISHED BY
ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE
LOAN REVOLVING FUND ACT (EMCECMLRF), 2015**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE, 2019**

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public
Sector Accounting Standards (IPSAS)

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Reports and Financial Statements
For the year ended June 30, 2019

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COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Reports and Financial Statements
For the year ended June 30, 2019

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Elgeyo Marakwet County Executive Car and Mortgage Fund is established by and derives its authority and accountability from The Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act, 2015 on 6th March, 2015. The Fund is wholly owned by the County Government of Elgeyo Marakwet and is domiciled in Kenya.

The Fund's principal activity is to provide car and mortgage loans to its members

b) Principal Activities

The fund's objective is to provide loan scheme for the purchase of vehicles, house or land for development, renovation and repair of residential property by members of the scheme

c) Car and Mortgage loans Management Committee

Ref	Name	Details of qualifications and experience
1	Ann Kibosia	Date of Birth: 10-11-1968 Qualification: Master of Arts in Governance and Ethics, BED(Arts) Experience: 27 years in various fields Position: Chairperson
2	Kevin Biwott	Date of Birth: 10-01-1988 Qualification: MBA-Strategic Management, CPA (K) Experience: 10 years Position: Vice Chairman
3	Leah Pamela Rono	Date of Birth: 1981 Qualification: Master of Science Human Resource management Experience: 11 years Position: Member
4	Isaac Kamar	Date of Birth: 8-11-1978 Qualification: MBA -Strategic management Experience: 22 years in Financial management Position: Member
5	Shadrack Yatich	Date of Birth: 25-8-1978 Qualification: MED-Planning and Administration Experience: 15 years in civil service Position: Member
6	JohnKeen Murkeu	Date of Birth: 12-02-1969 Qualification: MBA-Finance Experience: 27 years Position: Fund Administrator/Secretary

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
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d) Key Management

Ref	Name	Position
1	John Keen Murkeu	Date of Birth: 12-02-1969 Qualification: MBA-Finance Experience: 27 years Position: Fund Administrator/Secretary, Ag. Chief officer Finance & Economic planning)
2	Kevin Biwott	Date of Birth: 10-01-1988 Qualification: MBA-Strategic Management, CPA (K) Experience: 10 years Position: Vice Chairman
3	Isaac Kamar	Date of Birth: 8-11-1978 Qualification: MBA -Strategic management Experience: 22 years in Financial management Position: CEC Finance and Economic Planning
4	Ann Kibosia	Date of Birth: 10-11-1968 Qualification: Master of Arts in Governance and Ethics, BED(Arts) Experience: 27 years in various fields Position: Chairperson
5	David Chebii	Date of Birth: 1-11-1973 Qualification: MBA-Finance Experience: 23 years Position: Financial Reporting Accountant

e) Registered Offices

P.O. Box 220-30700
 Elgeyo Marakwet County Building
 Iten

f) Fund Contacts

Telephone: 053-4142277
 E-mail: elgeyomarakwet.go.ke

g) Fund Bankers

Trans National Bank
 P.O. Box 34353-00200
 Nairobi

h) Independent Auditors

Auditor General
 Kenya National Audit Office

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
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Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

i) Principal Legal Adviser

The County Attorney
P.O. Box 220-30700
Iten, Kenya

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Reports and Financial Statements
For the year ended June 30, 2019

2. FUND CHAIRPERSON'S REPORT

The financial statements for County Executive Car & Mortgage Loan Revolving Fund for the FY 2018/19 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Executive Car & Mortgage Revolving Fund of Elgeyo Marakwet operates County Executive Car & Mortgage Loan Revolving Fund Account No.18002/2000A00/1/0. The fund has granted loans to 35 members by 30th June, 2019.

The fund has advanced total cumulative loan of Sh.176,900,000 to 35 members as at 30th June, 2019. The total outstanding loans (principal and interest) from members amounts to Sh.123,137,449.67 as at 30th June, 2019. Total loans advanced to members during the year amount to Sh.46,500,000. The fund earned total interest of Sh.3,359,368.70 during the period. The available Bank balance as at 30th June, 2019 amounts to sh.4,009,245.93

The outlook of the Fund for 2019/2020 looks brighter. The County Executive seeks to amend the County Executive Car and Mortgage Fund Act to bring on board members of staff. This will broaden the base and the growth of the fund. The fund looks forward to continued support from the County government and all stakeholders to the realization of its mandate.



Hon. Ann Kibosia

Fund Chairperson -Elgeyo Marakwet County Executive Car & Mortgage Revolving Fund

3. REPORT OF THE FUND ADMINISTRATOR

The County Executive Car & Mortgage loan scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014.


The SRC in its circular reference SRC/ADM/CIR/1/13 Vol.III (128) dated 17th December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers.

The annual financial statements for Car & Mortgage have been prepared in accordance to Section 167 of the Public Finance Management (PFM) Act 2012 which mandates the administrator of the fund.

During the year ended 30th June, total repayments amounting to Sh.24,797,888 was recovered from members and Sh. 46,500,000 advanced to members. The outstanding loans as at 30th June, 2019 amounted to 123,137,450 as indicated in note 12 of financial statements under long term receivables from exchange transactions.

The total transfers from County government to the revolving fund from inception of the fund to 30th June, 2019 amount to Sh.120,000,000 as tabulated below;

Date	Source	Amount
24/03/2015	Transfer from EMC	45,000,000
23/06/2015	Transfer from EMC	25,000,000
10/10/2016	Transfer from EMC	24,000,000
28/9/2018	Transfer from EMC	26,000,000
	Total Ksh.	120,000,000

Signed:  Date 7/12/19
 John Keen Murkeu
Fund Administrator/County Executive Car & Mortgage Revolving Fund.

4. CORPORATE GOVERNANCE STATEMENT

Elgeyo Marakwet County Executive Car and Mortgage is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014. Section 167 of the Public Finance Management (PFM) Act 2012. Its mandate is to provide car loans to members of County Executive.

The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. The operations of the fund are governed The Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act, 2015 made on 6th March, 2015.

The Car and Mortgage Loan Committee is made of five members, including the chairperson, and shall consist of a chairperson and four other members CEC members, Fund Administrator and senior management.

The day-to-day running of the operations of the fund is delegated to the fund administrator. The management team headed by the Fund Administrator implements the board decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the board's objectives are achieved effectively and efficiently. The held nine meetings during the FY 2018/2019.

5. MANAGEMENT DISCUSSION AND ANALYSIS

The fund advanced total cumulative loan of Sh.176,900,000 to 35 members as at 30th June, 2019. The total outstanding loans (principal and interest) from members amounts to Sh.123,137,449.67 as at 30th June, 2019. Total loans advanced to members during the year amount to Sh.46,500,000. The fund earned total interest of Sh.3,359,368.70 during the period.

6. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of County Government of Elgeyo Marakwet County Executive Car and Mortgage Fund established by Car & Mortgage Loan Revolving Fund As Established by Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act (EMCECMLERF), 2015 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

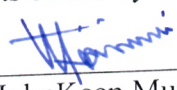
The Administrator of the County Government of Elgeyo Marakwet County Executive Car and Mortgage Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Government of Elgeyo Marakwet County Executive Car and Mortgage Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act (EMCECMLERF), 2015. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2019, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Government of Elgeyo Marakwet County Executive Car and Mortgage Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 9th December, 2019 and signed on its behalf by:

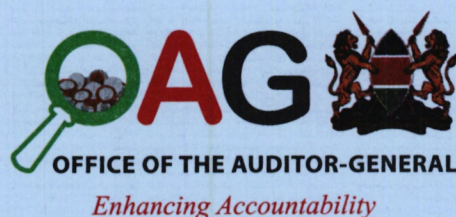


John Keen Murkeu

Fund Administrator – Elgeyo Marakwet County Executive Car and Mortgage Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ELGEYO MARAKWET COUNTY EXECUTIVE CAR AND MORTGAGE REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund set out on pages 1 to 26, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Failure to Provide an Approved Budget

The statement of comparison of budget and actual amounts discloses nil final budget balances for both total revenue and expenditure against actuals on comparable basis of Kshs.3,359,369 and Kshs.2,530,912 respectively. However, Management did not provide an approved budget prepared under Regulation 29 of the Public Finance Management (County Governments) Regulations, 2015 for audit review.

In the circumstances, the accuracy, validity and legality of the nil budget balances for income and expenditure could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matter

A prior year audit issue remained unresolved as at 30 June, 2019. Management has not provided reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Long Term Receivables from Exchange Transactions

The statement of financial position reflects a balance of Kshs.123,137,450 under long term receivables from exchange transactions which, as previously reported, includes an amount of Kshs.21,564,036 due from beneficiaries who exited service before repaying their loans in full. No explanation was provided for not recovering the outstanding amounts from the final gratuity dues as required under Section 28 of Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund Act, 2015.

Consequently, the recoverability of the long-term receivables from exchange transactions balance of Kshs.21,564,036 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE AND SYSTEMS

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems

are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

23 August, 2021

Report of the Auditor-General on Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund for the year ended 30 June, 2019

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Financial Statements
For the year ended June 30, 2019

8. FINANCIAL STATEMENTS

8.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2019

	Note	FY2018/ 2019	FY2017/ 2018
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Fines, penalties and other levies	3	-	-
Revenue from exchange transactions			
Interest income	4	3,359,369	2,668,583
Other income	5	-	-
Total revenue		3,359,369	2,668,583
Expenses			
Fund administration expenses	6	828,457	494,951
Staff Costs	7	-	-
General expenses	8	-	-
Finance costs	9	-	-
Total expenses		-	-
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Total expenses		828,457	494,951
Surplus/(deficit) for the period		2,530,912	2,173,633

The notes set out on pages 1 to 5 form an integral part of these Financial Statements

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND

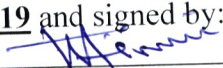
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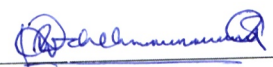
For the year ended June 30, 2019

8.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	FY2018/2019	FY2017/ 2018
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	11	4,009,246	539,815
Current portion of long term receivables from exchange transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
Non-current assets			
Property, plant and equipment	15	-	-
Intangible assets	16	-	-
Long term receivables from exchange transactions	12	123,137,450	98,075,969
Total assets		127,146,696	98,615,784
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	-	-
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
Non-current liabilities			
Non-current employee benefit obligation	20	-	-
Long term portion of borrowings	19	-	-
Total liabilities		-	-
Net assets			
Revolving Fund		120,000,000	94,000,000
Reserves		-	-
Accumulated surplus		7,146,696	4,615,784
Total net assets and liabilities		127,146,696	98,615,784

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **9th December, 2019** and signed by:


 Administrator of the Fund
 Name: John Keen Murkeu Jairo
 ICPAK Member Number: 8112


 Fund Accountant
 Name: David Chebii
 ICPAK Member Number: 8088

09 DEC 2019

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Financial Statements
For the year ended June 30, 2019

8.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2019

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2015	45,000,000	-	331,333	45,331,333
Surplus/(deficit) for the period (Restated)	-	-	1,495,923	1,495,923
Funds received during the year			-	-
Prior year adjustment			-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2016	45,000,000	-	1,827,257	46,827,257
Balance as at 1 July 2016	45,000,000	-	1,827,257	46,827,257
Surplus/(deficit) for the period (Restated)	-	-	614,895	614,895
Prior year adjustment				
Funds received during the year	25,000,000	-	-	25,000,000
Revaluation gain	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2017	70,000,000	-	2,442,152	72,442,152
Balance as at 1 July 2017	70,000,000	-	2,442,152	72,442,152
Surplus/(deficit) for the period	-	-	2,173,633	2,173,633
Funds received during the year	24,000,000	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2018	94,000,000	-	4,615,784	98,615,784
Balance as at 1 July 2018	94,000,000	-	4,615,784	98,615,784
Surplus/(deficit) for the period	-	-	2,530,912	2,530,912
Funds received during the period	26,000,000	-	-	26,000,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	120,000,000	-	7,146,696	127,146,696

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND

Financial Statements

For the year ended June 30, 2019

8.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	FY2018/2019	FY2017/ 2018
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Interest received		-	-
Receipts from other operating activities		3,359,369	2,668,583
Total Receipts		3,359,369	2,668,583
Payments			
Fund administration expenses		828,457	494,951
General expenses		-	-
Finance cost		-	-
Total Payments		828,457	494,951
Net cash flows from operating activities	21	2,530,912	2,173,633
Adjustment for Net increase in receivables		(25,061,481)	(6,235,220)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		26,000,000	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		3,469,431	(4,061,587)
Cash and cash equivalents at 1 JULY	11	539,815	4,601,402
Prior year adjustment		-	-
Cash and cash equivalents at 30 JUNE	11	4,009,246	539,815

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**Financial Statements****For the year ended June 30, 2019****8.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2019**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2018	2018	2018	2018	2018	2018
Revenue	KShs	KShs	KShs	KShs	KShs	
Public contributions and donations	-	-	-	-	-	-
Transfers from County Govt.	-	-	-	-	-	-
Interest income	-	-	-	3,359,369	(3,359,369)	-
Other income	-	-	-	-	-	-
Total income	-	-	-	3,359,369	(3,359,369)	-
Expenses						
Fund administration expenses	-	-	-	828,457	(828,457)	-
Staff costs	-	-	-	-	-	-
General expenses	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Total expenditure	-	-	-	828,457	(828,457)	-
Surplus for the period	-	-	-	2,530,912	(2,530,912)	-

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Summary of Significant accounting policies
For the year ended June 30, 2019

8.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The County Executive Car and Mortgage Revolving Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Summary of Significant accounting policies
For the year ended June 30, 2019

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>

c) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

4. Budget information

The County Executive Car & Mortgage Fund budget is a revolving fund and the budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance for the period ended 30th June, 2019.

5. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

7. Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

8. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

9. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

10. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

11. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

13. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

14. Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

15. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

17. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

18. Ultimate and Holding Entity

The entity is a County Executive Car & Mortgage Fund established by 2015Act. Its ultimate parent is the County Government of Elgeyo Marakwet

19. Currency

The financial statements are presented in Kenya Shillings (KShs).

20. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

21. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has no significant concentration of credit risk on amounts due.

The County Executive Car and Mortgage Fund committee sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Summary of Significant accounting policies
For the year ended June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

d) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

e) Capital risk management

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	FY2018/2019	FY2017/ 2018
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	120,000,000	94,000,000
Accumulated surplus	7,146,695	4,615,784
Total funds	127,146,696	98,615,784
Total borrowings	-	-
Less: cash and bank balances	4,009,246	539,815
Net debt/(excess cash and cash equivalents)	(4,009,246)	(539,815)
Gearing	-	-

8.7. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
Total	-	-

3. Fines, penalties and other levies

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Interest income from loans(mortgage or car loans	3,359,369	2,668,583
Total interest income	3,359,369	2,668,583

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Notes to the Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

5. Other income

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
Total other income	-	-

6. Fund administration expenses

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Administrative costs	828,457	494,951
Professional services costs	-	-
Total	828,457	494,951

7. Staff costs

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Notes to the Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. General expenses

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Total	-	-

9. Finance costs

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

10. Gain on disposal of assets

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Notes to the Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Cash and cash equivalents

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Car and Mortgage Loan account	4,009,246	539,815
Fixed deposits account	-	-
On – call deposits	-	-
Current account	-	-
Others	-	-
Total cash and cash equivalents	4,009,246	539,815.00

Detailed analysis of the cash and cash equivalents are as follows:

Financial institution	Account number	FY2018/2019	FY2017/ 2018
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Current account			
Kenya Commercial bank			
Trans National Bank Ac no,18002/2000A00/1/0		4,009,246	539,815
Sub- total		4,009,246	539,815
d) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
Sub- total		-	-
Grand total		4,009,246	539,815

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Notes to the Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Receivables from exchange transactions

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Current Receivables		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less: impairment allowance		
Total Current receivables		
Non Current receivables		
Long term loan repayments due	123,137,450	98,075,969
Total Non current receivables	-	-
Total receivables from exchange transactions	123,137,450	98,075,969

13. Prepayments

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Total	-	-

14. Inventories

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Total inventories at the lower of cost and net realizable value	-	-

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND

Notes to the Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1 st July 2016	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30 th June 2016	-	-	-	-	-
At 1 st July 2016	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30 th June 2016	-	-	-	-	-
Depreciation and impairment	-	-	-	-	-
At 1 st July 2016	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30 th June 2017	-	-	-	-	-
At 1 st July 2017	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30 th June 2018	-	-	-	-	-
Net book values	-	-	-	-	-
At 30 th June 2019	-	-	-	-	-
At 30 th June 2019	-	-	-	-	-

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND

Notes to the Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets-software

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV		

17. Trade and other payables from exchange transactions

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables		

18. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
Total provisions				

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND

Notes to the Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Borrowings

Description	FY2018/2019	FY2017/ 2018
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestics borrowings during the period	-	-
Balance at end of the period	-	-

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total employee benefits obligation	-	-	-	-

21. Cash generated from operations

	FY2018/2019	FY2017/ 2018
	KShs	KShs
Surplus for the year before tax	2,530,912	2,173,633
Adjusted for:		
Depreciation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	(25,061,481)	(6,235,220)
Increase in payables	-	-
Cash flows from financing activities		
Proceeds from revolving fund receipts	26,000,000	
Net Increase/Decrease in Cash and Cash Equivalent	3,469,431	(4,061,587)

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Notes to the Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund is related to the following entities:

- a) The County Government;
- b) The Government Ministry of Devolution;
- c) Key management;
- d) Car & Mortgage Fund committee; etc

b) Related party transactions

	FY2018/2019	FY2017/ 2018
	KShs	KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	FY2018/2019	FY2017/ 2018
	KShs	KShs
County Executive Car and Mortgage committee	821,500	494,950
Key Management Compensation	-	-
Total	821,500	494,950

d) Due from related parties

	FY2018/2019	FY2017/ 2018
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

e) Due to related parties

	FY2018/2019	FY2017/ 2018
	KShs	KShs
Due to Ministry of Devolution	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND

Notes to the Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Contingent assets and contingent liabilities

Contingent liabilities	FY2018/2019	FY2017/ 2018
	KShs	KShs
Court case against the Fund	-	-
Bank guarantees	-	-
Total	-	-

COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
Notes to the Financial Statements
For the year ended June 30, 2019

1. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1.0	Unsecured car & mortgage loans	All loans are now secured. All Title deeds have been charged to loans	JohnKeen Murkeu Jairo	Not resolved	3 months

JohnKeen Murkeu Jairo-Administrator of the Fund

09 DEC 2019

**COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND
LOAN REPAYMENT SCHEDULE FOR THE MONTH OF JUNE 2019**

	Period	Name of borrower	Date advanced	Balance b/f	Additional advance	Cost of security charge	Interest	Repayment	Balance
				4,308,959.57	1,200,000.00	65,640	13,772.40	138,688.00	5,449,683.97
1	Jun-19	ANNE CHERONO KIBOSIA		1,144,908.83	-	65,640	2,862.27	2,412.00	1,210,999.10
2	Jun-19	MONICA JEPTUM ROTICH		4,176,746.03	1,000,000.00	66,600	12,941.87	133,174.00	5,123,113.90
3	Jun-19	SHADRACK KIPROP YATICH		1,910,133.95	-	73,440	4,775.33	121,726.00	1,866,623.28
4	Jun-19	SIMION CHIRCHIR KIPLAGAT		1,367,673.59	-	65,640	3,419.18	85,788.00	1,350,944.78
5	Jun-19	STELLA KIRUI KIPRONO		3,137,442.39	-	73,440	7,843.61	-	3,218,726.00
6	Jun-19	STEPHEN RUTTO BIWOTT		826,279.65	-	65,640	2,065.70	-	893,985.35
7	Jun-19	MORRIS KIPKOSGEI ROTICH		29,364,179.02	-	600,000	73,410.45	860,000.00	29,177,589.47
8	Jun-19	ALEX TANUI TOLGOS		670,524.39	-	65,640	1,676.31	-	737,840.71
9	Jun-19	THOMAS KIPKEMOY RUTTO		3,849,277.19	-	71,440	9,623.19	-	3,930,340.38
10	Jun-19	JEREMIAH ROTICH CHANGWONY		2,149,719.49	-	65,640	5,374.30	-	2,220,733.79
11	Jun-19	SHADRACK K. CHELIMO		965,930.70	-	52,040	2,414.83	107,812.20	912,573.33
12	Jun-19	THOMAS KIPLAGAT KIPKOECH TUITOEK		825,032.27	-	41,920	2,062.58	-	869,014.85
13	Jun-19	DANIEL KIPCHUMBA KIPTUM		6,810,941.48	-	134,130	17,027.35	-	6,962,098.83
14	Jun-19	GABRIEL KOSGEY LAGAT		2,634,030.78	-	90,680	6,585.08	-	2,731,295.86
15	Jun-19	GIDEON KIPKOECH KIPYAKWAI		1,625,767.45	-	52,040	4,064.42	53,907.00	1,627,964.86
16	Jun-19	JOHN K CHEBOI		3,716,420.13	-	65,640	9,291.05	119,645.00	3,671,706.18
17	Jun-19	ANITA C TOROITICH		1,453,658.20	-	52,040	3,634.15	53,907.00	1,455,425.35
18	Jun-19	BOAZ CHANGACH		1,563,781.70	-	52,040	3,909.45	53,907.00	1,565,824.16
19	Jun-19	CAROLINE MAGUT		1,453,658.20	-	52,040	3,634.15	53,907.00	1,455,425.35
20	Jun-19	ISMAEL CHELANGA		1,624,246.72	-	52,040	4,060.62	53,907.00	1,626,440.33
21	Jun-19	NETTY JEMUTAI		1,824,897.63	-	52,040	4,562.24	58,053.00	1,823,446.88
22	Jun-19	PIUS YEGO CHESEREK		2,339,038.55	-	58,840	5,847.60	71,876.00	2,331,850.15
23	Jun-19	TITUS AIYABEI		3,074,751.26	-	52,040	7,686.88	98,510.00	3,035,968.14
24	Jun-19	MICHAEL KIPCHUMBA LELIT		2,004,098.63	-	52,040	5,010.25	129,928.00	1,931,220.88
25	Jun-19	PAUL CHEBOI CHEMMUTTUT		2,555,948.67	1,000,000.00	65,640	8,889.87	80,831.00	3,549,647.54
26	Jun-19	JOSEPH KIYENG		3,709,196.36	1,000,000.00	65,640	11,772.99	121,246.00	4,665,363.35
27	Jun-19	KEVIN BIWOTT		2,433,832.85	1,000,000.00	65,640	8,584.58	80,831.00	3,427,226.44
28	Jun-19	LEAH PAMELA RONO		1,454,663.48	2,000,000.00	-	8,636.66	50,000.00	3,413,300.14
29	Jun-19	ISAAC KAMAR		7,688,002.73	-	211,190.00	19,220.01	484,982.00	7,433,430.73
30	Jun-19	WISLEY KIPYEGON ROTICH		2,210,938.52	-	-	5,527.35	67,359.00	2,149,106.86
31	Jun-19	ABRAHAM BARSOSIO		2,572,092.13	2,000,000.00	-	11,430.23	80,831.00	4,502,691.37
32	Jun-19	EDWIN KISANG		1,853,949.50	-	-	4,634.87	55,237.00	1,803,347.38
33	Jun-19	JOHANA KIPTOO CHEPTOO		-	3,000,000.00	-	7,500.00	-	3,007,500.00
34	Jun-19	KIPRONO CHEPKOK		-	2,000,000.00	-	5,000.00	-	2,005,000.00
35	Jun-19	KIMWETICH BARMASAI							
				109,300,722.06	14,200,000.00	2,546,440.00	308,751.81	3,218,464.20	123,137,449.67